

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

Saguaro Connector Pipeline, L.L.C. )

Docket No. CP23-29-000

**MOTION TO INTERVENE AND COMMENTS IN SUPPORT OF MEXICO PACIFIC  
LIMITED LLC**

Pursuant to Rule 214 of the Federal Energy Regulatory Commission’s (“Commission”) Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2021), Mexico Pacific Limited LLC (“MPL”) moves to intervene in this proceeding. By this pleading, MPL also offers comments in support of Saguaro Connector Pipeline, L.L.C.’s filing for authorization under Section 3(a) of the Natural Gas Act and a Presidential Permit to site, construct, connect, operate, and maintain new natural gas pipeline facilities at the border between the United States and Mexico (the “Border Facilities”).<sup>1</sup>

**I. COMMUNICATIONS**

Any communications with respect to this pleading and in connection with this proceeding should be addressed to the following:

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<sup>1</sup> See Saguaro Connector Pipeline, L.L.C., Application for Authority under Section 3 of the Natural Gas Act and Presidential Permit to Site, Construct, Connect, Operate, and Maintain Facilities for the Exportation of Natural Gas, Docket No. CP23-29-000 (Dec. 20, 2022) (“Saguaro Application”).

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## II. MOTION TO INTERVENE

MPL is a limited liability company organized under the laws of Delaware with its principal place of business at 700 Louisiana Ave., Suite 2410, Houston, TX 77002. MPL is developing a liquefied natural gas (“LNG”) production and offtake facility located in the State of Sonora, Mexico (the “MPL Facility”). Once completed, the MPL Facility will be capable of receiving, processing, and liquefying natural gas, storing the resulting LNG, and loading LNG onto oceangoing LNG carriers for re-export. The Department of Energy’s Office of Fossil Energy and Carbon Management has granted MPL long-term, multi-contract authorization to export domestically produced natural gas to Mexico and to re-export quantities of that natural gas not consumed in Mexico in the form of liquefied natural gas (“LNG”) to both free trade agreement and non-free trade agreement nations.<sup>2</sup> MPL expects to receive first gas into the MPL Facility in 2026. It anticipates that the first LNG exports from the MPL Facility could occur in 2027.

As detailed in the Saguaro Application, the Border Facilities Saguaro Connector Pipeline, L.L.C. (“Saguaro Connector”) has proposed will connect with a new intrastate pipeline designed to transport gas from the Waha Hub in Pecos County, Texas to the Border Facilities (the “Intrastate Facilities”). On the Mexican side of the border, the Border Facilities will connect with a new pipeline that will transport natural gas received through the Border Facilities primarily to a natural gas export facility under development on the West Coast of Mexico.<sup>3</sup>

If FERC grants the Saguaro Application and Saguaro and MPL enter into an appropriate

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<sup>2</sup> *Mexico Pacific Limited LLC*, DOE/FE Order No. 4248, Docket No. 18-70-LNG (Sept. 19, 2018); *Mexico Pacific Limited LLC*, DOE/FE Order No. 4312, Docket No. 18-70-LNG (Dec. 14, 2018).

<sup>3</sup> Saguaro Application at 4.

transportation service agreement, MPL will utilize the Saguaro Connector and the Intrastate Facilities, along with several existing pipeline routes, to transport natural gas from the United States to Mexico for further delivery to the MPL Facility. MPL and Saguaro are currently negotiating a Precedent Agreement for this service. Accordingly, as a prospective shipper on the Saguaro Connector project, MPL has a direct and substantial interest in the outcome of this proceeding that cannot be represented by any other party. Consequently, MPL respectfully submits that its motion to intervene should be granted and that it should be afforded full rights as a party in this proceeding.

### **III. COMMENTS IN SUPPORT**

MPL fully supports the Saguaro Application. The Saguaro Connector project, if approved and constructed, would provide MPL with an efficient means of transporting natural gas from the Waha Hub to the Border Facilities, from which this gas would be transported to the MPL Facility through a pipeline currently under development. This new path would provide an attractive route through which U.S.-produced gas may be delivered to the MPL Facility and other natural gas markets in Mexico, a nation with which the U.S. has in place a treaty calling for national treatment of trade in natural gas. MPL's exports of natural gas to Mexico and from Mexico in the form of LNG to other nations have been found to be in the public interest;<sup>4</sup> the new transportation route to be offered by the Border Facilities and the Intrastate Facilities would enhance the flexibility, diversity and security of supply available to the MPL Facility, a result which is likewise in the public interest.

Together with the Intrastate Facilities, the Border Facilities would provide United States natural gas producers with robust access to additional markets for natural gas. This is important:

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<sup>4</sup> See *supra* note 2.

the MPL Facility and other markets in Mexico accessible through the Border Facilities would be economically attractive outlets for natural gas produced in the Permian Basin of west Texas and eastern New Mexico that might otherwise be vented or flared.<sup>5</sup> The U.S. Energy Information Administration (“EIA”) estimates that in 2021, Texas producers vented and flared 102 Bcf of natural gas.<sup>6</sup> Bloomberg predicts that the amount of natural gas flared in the Permian Basin will only increase in 2023, since for “many companies it makes more economic sense to flare off the gas” than to cut back on oil production.<sup>7</sup> By providing a new means of moving gas from the Waha Hub that might otherwise be vented or flared, the Border Facilities play an important role in helping to reduce the amount of natural gas that would otherwise be flared or emitted into the atmosphere.

For these reasons, MPL submits that the siting, construction, operation, and maintenance of the Border Facilities proposed in the Saguaro Application should be approved as not being inconsistent with the public interest.<sup>8</sup>

#### IV. CONCLUSION

WHEREFORE, for the reasons given above, MPL respectfully requests that the Commission (i) grant this motion to intervene and afford MPL full rights of a party in the captioned proceeding and (ii), by order issued before December 29, 2023, (a) authorize Saguaro Connector to site, construct, connect, operate, and maintain the Border Facilities, and (b) issue a Presidential Permit authorizing Saguaro Connector to site, construct, connect, operate, and maintain these

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<sup>5</sup> Venting, the direct release of natural gas into the atmosphere, causes the release of methane into the atmosphere, while flaring, the controlled burn of natural gas at the wellhead, causes the release of carbon dioxide into the atmosphere. Both venting and flaring are sources of greenhouse gas emissions.

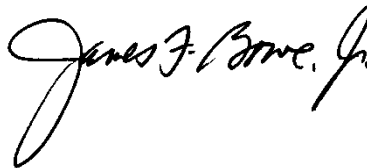
<sup>6</sup> EIA, *Natural Gas Annual*, Table 3 (2021), available at <https://www.eia.gov/naturalgas/annual/pdf/nga21.pdf>.

<sup>7</sup> Kevin Crowley, *Natural Gas Flaring Is Set to Rebound in Permian Basin*, Bloomberg (Nov. 14, 2022), available at <https://www.bloomberg.com/news/articles/2022-11-14/permian-flaring-to-rebound-even-as-market-endures-natural-gas-shortages?sref=VfjPQO0e>.

<sup>8</sup> See generally Natural Gas Act, as amended, Section 3(a), 15 U.S.C. § 717b(a).

Border Facilities.

Respectfully submitted,

A handwritten signature in black ink, reading "James F. Bowe, Jr." in a cursive script.

James F. Bowe, Jr.

*Counsel for Mexico Pacific Limited LLC*

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Dated: January 23, 2023

### **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document by email upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Atlanta, GA this 23rd day of January, 2023.

/s/ Tyler R. Brown

Tyler R. Brown

*Counsel for Mexico Pacific Limited LLC*

Document Content(s)

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